



ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 63

[EPA-HQ-OAR-2008-0080; FRL-9610-1]

RIN 2060-AR16

National Emission Standards for Hazardous Air Pollutants: Area Source Standards for Prepared Feeds Manufacturing; Amendments

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to revise certain provisions of the area source national emission standards for hazardous air pollutants (NESHAP) for prepared feeds manufacturing published on January 5, 2010 (final rule). These revisions will clarify the regulatory requirements for this source category and ensure that those requirements are consistent with the record. The revisions address the generally available control technology (GACT) requirements for pelleting processes at large, existing prepared feeds manufacturing facilities, specifically removal of the cyclone 95-percent design efficiency requirement, as well as associated requirements for compliance demonstration, monitoring, reporting, and recordkeeping; clarification of the requirement that doors be kept closed in areas where materials containing chromium and manganese are stored, used, or handled; and clarification of the requirement to install a device at the point of bulk loadout to minimize emissions. These amendments are not expected to result in increased emissions or in the imposition of costs beyond those described in the January 5, 2010, final rule.

DATES: Written comments must be received by [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-HQ-OAR-2008-0080, by one of the following methods:

- Federal eRulemaking Portal: www.regulations.gov: Follow the instructions for submitting comments.
- Agency website: www.epa.gov/oar/docket.html. Follow the instructions for submitting comments on the EPA Air and Radiation Docket website.
- Email: a-and-r-Docket@epa.gov. Include Docket ID No. EPA-HQ-OAR-2008-0080 in the subject line of the message.
- Fax: Send comments to (202) 566-9744, Attention Docket ID No. EPA-HQ-OAR-2008-0080.
- Mail: Area Source NESHAP for Prepared Feeds Manufacturing Docket, Environmental Protection Agency, Air and Radiation Docket and Information Center, Mailcode: 2822T, 1200 Pennsylvania Avenue NW, Washington, DC 20460. Please include a total of two copies.
- Hand Delivery: EPA Docket Center, Public Reading Room, EPA West, Room 3334, 1301 Constitution Avenue NW, Washington, DC 20460. Such deliveries are only accepted during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

Instructions: Direct your comments to Docket ID No. EPA-HQ-OAR-2008-0080. The EPA's policy is that all comments received will be included in the public docket without change and may be made available online at www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be confidential business information (CBI) or other information whose disclosure is restricted by statute. Do not submit

information that you consider to be CBI or otherwise protected through www.regulations.gov or email. The www.regulations.gov website is an “anonymous access” system, which means the EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email comment directly to the EPA without going through www.regulations.gov, your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, the EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If the EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, the EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses. For additional instructions on submitting comments, see Section III of the **SUPPLEMENTARY INFORMATION** section of this document.

Docket: The EPA has established a docket for this action under Docket ID No. EPA-HQ-OAR-2008-0080. All documents in the docket are listed in the Federal Docket Management System index at www.regulations.gov. Although listed in the index, some information is not publicly available (e.g., CBI or other information whose disclosure is restricted by statute). Certain other material, such as copyrighted material, will be publicly available only in hard copy form. Publicly available docket materials are available either electronically through www.regulations.gov or in hard copy at the EPA Docket Center, Public Reading Room, EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The

telephone number for the Public Reading Room is (202) 566-1744, and the telephone number for the Air Docket is (202) 566-1742.

FOR FURTHER INFORMATION CONTACT: Jan King, Outreach and Information Division, Office of Air Quality Planning and Standards (C404-05), Environmental Protection Agency, Research Triangle Park, NC 27711. Telephone number: (919) 541-5665; fax number: (919) 541-0242; email address: king.jan@epa.gov.

SUPPLEMENTARY INFORMATION: The information presented in this preamble is organized as follows:

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I. Why is the EPA issuing a proposed rule?

This document proposes amendments affecting sources regulated under the area source national emission standards for hazardous air pollutants (NESHAP) for prepared feeds

manufacturing published on January 5, 2010 (75 FR 522). Because we view this as a noncontroversial action and anticipate no adverse comment, we have published a direct final rule in the “Rules and Regulations” section of this Federal Register revising the generally available control technology (GACT) standard for pelleting operations at large, existing prepared feeds manufacturing facilities; clarifying the requirement to keep doors closed in areas where materials containing chromium and manganese are stored, used, and handled; and clarifying the requirement that a device of any type can be used during the bulk loadout process.

If we receive no adverse comment, we will not take further action on this proposed rule and the direct final rule will become effective on **[INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]** without further notice. If we receive adverse comment, we will address all public comments in any subsequent final rule based on this proposed rule. If EPA receives adverse comment by **[INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]** on a distinct provision of this proposed rule, we will publish a timely withdrawal in the Federal Register indicating which provisions we are withdrawing. The provisions that are not withdrawn will become effective on the date set out above, notwithstanding adverse comment on any other provision.

We do not intend to institute a second comment period on this action. Any parties interested in commenting must do so at this time. For further information, please see the information provided in the **ADDRESSES** section of this document.

II. Does this action apply to me?

Regulated Entities. The regulated categories and entities potentially affected by the rule include:

Category	NAICS code ¹	Examples of regulated entities
Other Animal Foods Manufacturing	311119	Animal feeds, prepared (except dog and cat), manufacturing.

This table is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be affected by this action. To determine whether your facility is regulated by this action, you should examine the applicability criteria in 40 CFR 63.11619, subpart DDDDDDD (NESHAP for Area Sources: Prepared Feeds Manufacturing). If you have any questions regarding the applicability of this action to a particular entity, consult either the state delegated authority or the EPA regional representative, as listed in 40 CFR 63.13 of subparts A (General Provisions).

III. What should I consider as I prepare my comments for the EPA?

A. Submitting CBI. Do not submit this information to the EPA through www.regulations.gov or email. Clearly mark all of the information that you claim to be CBI. For CBI information in a disk or CD ROM that you mail to the EPA, mark the outside of the disk or CD ROM as CBI and then identify electronically within the disk or CD ROM the specific information that is claimed as CBI. In addition to one complete version of the comment that includes information claimed as CBI, a copy of the comment that does not contain the information claimed as CBI must be submitted for inclusion in the public docket. Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

B. Tips for Preparing Your Comments. When submitting comments, remember to:

- Identify the rulemaking by docket number and other identifying information (e.g., subject heading, Federal Register date and page number).

¹ North American Industry Classification System.

- Follow directions. The agency may ask you to respond to specific questions or organize comments by referencing a Code of Federal Regulations (CFR) part or section number.
- Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.
- Describe any assumptions and provide any technical information and/or data that you used.
- If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.
- Provide specific examples to illustrate your concerns, and suggest alternatives.
- Explain your views as clearly as possible, avoiding the use of profanity or personal threats.
- Make sure to submit your comments by the comment period deadline identified.

IV. Where can I get a copy of this document?

Electronic Access. In addition to being available in the docket, an electronic copy of this direct final action will also be available on the Worldwide Web (WWW) through the Technology Transfer Network (TTN). Because this is an amendment of regulatory language through rulemaking, a redline version of the regulatory language has been created and has been placed in the docket (www.regulations.gov, see Docket No. EPA-HQ-OAR-2008-0080) to aid the public's ability to comment on the regulatory text. Following signature, a copy of this final action will be posted on the TTN's policy and guidance page for newly proposed or promulgated rules at the following address: www.epa.gov/ttn/oarpg. The TTN provides information and technology exchange in various areas of air pollution control.

V. What amendments are being proposed?

On January 5, 2010 (75 FR 522), the EPA promulgated the NESHAP for area source prepared feeds manufacturing facilities as subpart DDDDDDD in 40 CFR part 63. Existing affected sources (i.e., construction or reconstruction of the facility began on or before July 27, 2009) must comply with the rule by January 5, 2012, while new affected sources (i.e., construction or reconstruction of the facility began after July 27, 2009) were required to comply by January 5, 2010, or upon startup, whichever is later.

Today's proposal consists of three revisions and clarifications. The rule requires that pelleting operations at large prepared feeds manufacturing facilities (i.e., those facilities with an average daily feed production level exceeding 50 tons per day) use cyclones. In the final rule, these cyclones were required to have a 95-percent design efficiency. This proposal revises this requirement for existing sources only.² Such sources must use cyclones, and those cyclones must be operated in accordance with good air pollution control practices and manufacturer's specifications and operating instructions, if available, or standard operating procedures must be developed by the facility owner or operator to ensure proper operation and maintenance of the cyclone.

In the preamble to the final rule, we recognized that the cyclones employed on pelleting operations at existing, large prepared feeds manufacturing facilities were generally available and provided effective Hazardous Air Pollutant (HAP) emissions control (75 FR 533). We added the 95-percent design efficiency requirement in the final rule because we thought, based on limited data from sources that would need to install cyclones, that a large percentage of existing cyclones at large facilities already met that design efficiency (75 FR 544). In assessing the costs of the

² We are not changing any requirements for new large, prepared feeds manufacturing facilities. We have amended the regulatory text to clarify that the design efficiency requirement and associated compliance mechanisms, monitoring, reporting, and recordkeeping requirements apply only to new sources.

design efficiency requirement as part of our GACT analysis, we estimated that few existing sources (approximately 2 percent) did not have cyclones and would need to install them to meet the requirement (Economic Impact Analysis for the Prepared Feeds Manufacturing Area Source NESHAP, June 17, 2009, Docket No. EPA-HQ-OAR-2008-0080-0036). We also explained in the final rule that it was not our intent to force prepared feed manufacturers to replace older, well-designed, and properly operating cyclones with new high-efficiency cyclones (75 FR 533). Indeed, we recognized that requiring the replacement of older, well designed, properly operating cyclones was not cost effective, because the incremental emission reductions would be very low and the costs would be high (75 FR 533).

The EPA included in the final rule three different mechanisms by which a source could demonstrate compliance with the design efficiency requirement. 40 C.F.R. § 63.11621(e)(1)-(3). A source could show compliance by having either cyclone manufacturer certification/specifications, a certification by a professional engineer or responsible official, or a Method 5 performance test that indicates whether PM is being released from the system (Appendix A to part 60) (which determines the particulate matter mass rate at the inlet and outlet of the cyclone). The EPA has recently learned that most existing sources would need to install new cyclones to provide the required documentation for demonstrating compliance with the final rule. (Material presented by prepared feeds industry representatives at the January 25, 2011, meeting with EPA staff, and Industry Request for Administrative Stay and Reconsideration - June 10 2011, both of which are located in Docket No. EPA-HQ-OAR-2008-0080). That was not the intent of the final rule, and this result cannot be reconciled with the GACT analysis underlying the final rule.

As noted above, we premised the design efficiency requirement in the final rule for existing sources on the assumption that all but a few cyclones were meeting that requirement and

that only a few sources would need to install new cyclones. Our cost analysis in the final rule tracked this assumption. We now recognize that this assumption was incorrect, and that our regulations, as written, would require many existing facilities to replace existing cyclones, which is contrary to our GACT analysis. As explained in the final rule, the replacement of older, well designed, properly operating cyclones is not cost effective (75 FR at 533). We are therefore proposing to revise the requirement of the final rule for pelleting operations at existing large, prepared feeds manufacturing facilities (i.e., those facilities with an average daily feed production level exceeding 50 tons per day) to require the use of cyclones. We are also proposing that the cyclones be operated in accordance with good air pollution control practices and manufacturer's specifications and operating instructions, if available, or standard operating procedures must be developed by the facility owner or operator to ensure proper operation and maintenance of the cyclone. These proposed revisions are wholly consistent with the record supporting the final rule, including the cost analysis and our determination that cyclones are generally available for existing sources and effectively control HAP emissions.

Further, the EPA is proposing to revise the requirements for demonstration of compliance, monitoring, and the notification, reporting and recordkeeping requirements for existing sources only, consistent with the removal of the design efficiency requirement for those sources. This action proposes to amend the notification of compliance status requirements such that the cyclone manufacturer's operating specifications or standard operating procedures developed by the prepared feeds manufacturer be required as part of the record instead of one of the cyclone parameters as specified in the final rule (i.e., inlet flow rate, inlet velocity, pressure drop, or fan amperage range). The revised annual compliance certification would include all instances when the cyclone does not operate according to manufacturer specifications or the standard operating

procedures. This would replace the requirement for existing sources to include in the annual compliance certification the cyclone parameters listed in the final rule. We are also proposing to revise the recordkeeping requirements for existing sources to require the owner or operator to record the results of weekly visual inspections. This would replace the requirement in the January 5, 2010, final rule for existing sources to record the daily inlet flow rate, inlet velocity, pressure drop, or fan amperage.

This action also clarifies that the requirement to keep doors closed in areas where materials containing manganese and chromium are stored, used, or handled does not apply to areas where finished prepared feeds product is stored in closed containers, since there are no HAP emissions in these areas. See 40 CFR section 63.11621(a)(iii).

Finally, there has been some confusion regarding the type of device needed to comply with the bulk loadout provision at 40 CFR section 63.11621(d). These proposed amendments would clarify that any type of device may be used to minimize the distance between the place where bulk loadout occurs and the vehicle being loaded. The distance may also be minimized by the design of the loadout process itself (e.g., the loadout arm positioned directly above the vehicle being loaded).

VI. Statutory and Executive Order Reviews

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a "significant regulatory action" under the terms of Executive Order 12866 (58 FR 51735, October 4, 1993) and is therefore not subject to review under Executive Orders 12866 and 13563 (76 FR 3821, January 21, 2011).

B. Paperwork Reduction Act

This action does not impose an information collection burden above that required in the original rule. The revisions do not require additional information collection requirements and may result in an overall reduction of the information collection burden. Therefore, the information collection requests are not being amended. The Office of Management and Budget (OMB) previously approved the information collection request (ICR) contained in the existing regulations (subpart DDDDDDD, 40 CFR part 63) under the provisions of the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. and has assigned OMB control number 2060-0635 (ICR 2354.02). The OMB control numbers for EPA's regulations in 40 CFR are listed in part 9.

C. Regulatory Flexibility Act

The Regulatory Flexibility Act generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the agency certifies that the rule would not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and small governmental jurisdictions.

For purposes of assessing the impacts of this rule on small entities, small entity is defined as: (1) a small business as defined by the Small Business Administration's regulations found at 13 CFR 121.201; (2) a small governmental jurisdiction that is a government of a city, county, town, school district, or special district with a population of less than 50,000; and (3) a small organization that is any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.

After considering the economic impacts of this action on small entities, I certify that this action will not have a significant economic impact on a substantial number of small entities. This final rule will not impose any requirements on small entities. This action does not impose any

additional costs over those in the final rule published on January 5, 2010 (75 FR 522). In fact, the clarifications contained in this action are expected to reduce costs for some small businesses that would otherwise have installed control equipment, but that would not be required to do so as a result of these amendments.

D. Unfunded Mandates Reform Act

This action contains no Federal mandate under the provisions of title II of the Unfunded Mandates Reform Act of 1995 (UMRA), 2 U.S.C. 1531-1538 for state, local, or tribal governments, or the private sector. This action imposes no enforceable duty on state, local, or tribal governments, or the private sector. Therefore, this action is not subject to the requirements of sections 202 and 205 of the UMRA.

This action is also not subject to the requirements of section 203 of UMRA because it contains no regulatory requirements that might significantly or uniquely affect small governments. This action imposes no obligations upon them.

E. Executive Order 13132: Federalism

This direct final rule does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132. This direct final rule does not impose any requirements on state and local governments. Thus, Executive Order 13132 does not apply to this rule.

F. Executive Order 13175: Consultation and Coordination with Indian Tribal Governments

This action does not have tribal implications, as specified in Executive Order 13175 (65 FR 67249, November 9, 2000). This direct final rule imposes no requirements on tribal governments. Thus, Executive Order 13175 does not apply to this action.

G. Executive Order 13045: Protection of Children from Environmental Health and Safety Risks

The EPA interprets EO 13045 (62 FR 19885, April 23, 1997) as applying to those regulatory actions that concern health or safety risks, such that the analysis required under Section 5-501 of the Order has the potential to influence the regulation. This action is not subject to EO 13045 because it is based solely on technology performance.

H. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This action is not subject to Executive Order 13211 (66 FR 28355, May 22, 2001) because it is not a significant regulatory action under Executive Order 12886.

I. National Technology Transfer and Advancement Act

Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (“NTTAA”), Public Law 104-113, 12(d)(15 U.S.C. 272 note) directs EPA to use voluntary consensus standards in its regulatory activities, unless to do so would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) that are developed or adopted by voluntary consensus standards bodies. NTTAA directs the EPA to provide Congress, through OMB, explanations when the agency decides not to use available and applicable voluntary consensus standards.

This action does not involve technical standards. Therefore, the EPA did not consider the use of any voluntary consensus standards.

J. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations

Executive Order 12898 (59 FR 7629, February 16, 1994) establishes federal executive policy on environmental justice. Its main provision directs federal agencies, to the greatest extent practicable and permitted by law, to make environmental justice part of their mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of their programs, policies, and activities on minority populations and low-income populations in the United States.

The EPA has determined that this direct final rule will not have disproportionately high and adverse human health or environmental effects on minority or low-income populations because it does not affect the level of protection provided to human health or the environment. This direct final rule makes revisions and clarifications to the rule and should not result in increased emissions beyond those described in the final rule.

List of Subjects for 40 CFR Part 63

Environmental protection, Particulate matter, Air pollution control, Hazardous substances, Reporting and recordkeeping requirements.

Dated: December 15, 2011.

Lisa P. Jackson,
Administrator.

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